GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:512
ANSWERED ON:20.11.2007
FREE TRADE AGREEMENT WITH ASEAN
Chandrappan Shri C.K.;Ravindran Shri Pannian;Thomas Shri P.C.

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the reasons for delay in the Free Trade Agreement among ASEAN countries;

(b) the names of the commodities on which the agreement would adversely be affected;

(c) the details of adverse effect if the country sign Free Trade Agreement by abandoning the import duty on certain items as suggested by certain member countries;

(d) whether the Government has made any study before signing the agreement which would affect several farmers cultivating cash crops and other agricultural produces due to heavy fall in prices of their produces; and

(e) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH)

(a) Framework Agreement on Comprehensive Economic Cooperation Agreement (CECA) between ASEAN and India was signed on 8th October 2003 in Bali, Indonesia. The negotiations for India-ASEAN Free Trade Agreement (FTA) are currently in progress. Negotiations for Trade in Goods Agreement are at an advanced stage and only a few issues remain to be resolved.

(b) to (e) The negotiations for India-ASEAN FTA are ongoing and both sides are discussing various aspects of the proposed Agreement, including the Negative Lists, Sensitive Lists, Highly Sensitive List and the modalities for tariff concessions offered by both sides. India`s proposed Negative List adequately safeguards the interests of farmers and sensitive sectors of the domestic industry. The Negative List consists of items mostly of Agricultural products, Textiles, Chemicals and Petro-chemicals, Automobiles etc. The Negative List has been made in consultation with various Ministries and other stakeholders.

Under the negotiations, India has proposed a Negative List of 489 items out of which 303 items are agricultural products. Further, for highly sensitive items like Crude Palm Oil, Refined Palm Oil, Coffee, Tea and Pepper, India has proposed a special box of Highly Sensitive List under which only limited tariff concessions would be provided. Thus, the interests of agricultural sector have been adequately protected under the negotiations.